## **CP-41 Commission Position on Competency (December 6, 2011)**

Pursuant to sections 12-61-804, 12-61-805 and 12-61-807, C.R.S., which are the laws that govern the duties of a real estate broker acting in the capacity of a single agent or transaction broker, real estate brokers are required to perform the terms of written or oral agreements they make with certain parties to a real estate transaction. Pursuant to sections 12-61-804 and 12-61-805, C.R.S., real estate brokers acting in the capacity of a single agent have a duty to promote the interests of their clients with the utmost good faith, loyalty, and fidelity. Pursuant to section 12-61-113(1)(n), C.R.S., it is a violation of the license law if a licensee demonstrates unworthiness or incompetency to act as a real estate broker by conducting business in such a manner as to endanger the interest of the public.

Prior to performing any acts that require a real estate broker's license, a broker should determine whether he or she possesses the knowledge, experience, and/or training necessary to perform the terms of the transaction and maintain compliance with the applicable federal, state or local laws, rules, regulations, or ordinances. If the broker does not have the requisite knowledge, experience and/or training necessary to consummate the terms of the agreement, the broker should either decline to provide brokerage services or seek the assistance of another real estate broker who does have the necessary experience, training, and/or knowledge. The Commission will have grounds to discipline a broker's license if a broker fails to take the measures necessary to gain competence and violations of the license law are substantiated.